

Diane M. Paresso

July 14, 2006

Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W)  
Re: Business Opportunity Rule, R511993  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

RE: Business Opportunity Rule, R511993

Dear Sir or Madam:

I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its presented form, it could prevent me and others from continuing to succeed in our small businesses. I am a distributor for a nutritional company called XanGo.

I have been an independent distributor for XanGo for 3 years. I love their nutritional juice because it has helped me feel so much better. It has actually helped me to become healthier both mentally and physically which has allowed me to begin building a small home business. I have physical challenges which make it difficult for me to work for someone else outside of the house. This work allows me to be productive at my own pace depending on how I feel on a daily basis. The stress level is so much less and the satisfaction of helping others is so rewarding. My goal is to continue improving my health with the juice while I continue building this business towards financial security.

This financial security will also allow me to not have to rely on Social Security Disability Benefits. There are so many physically challenged people on Social Security Disability and senior citizens on Social Security that would not have to depend on it if given the opportunity to work from home as an independent distributor for a legitimate network marketing company. Please keep this in mind. It is also my belief that small business owners are what built this country and what keeps it thriving. I am concerned that this proposed change would destroy mine and hundreds of thousands of other people's small businesses.

I believe that you must think it is a good idea to make these changes, you probably feel you are trying to protect us. I give you the benefit of the doubt, but feel that whoever came up with these ideas did not think them through from the point of view of hundreds of thousands of American home business owners, let alone all the international ones that this will affect in a negative way. Some of the sections in the proposed rule would make it hard or almost impossible for us to sell our product or build our business.

The proposal that would require a prospective sales associate to wait seven days after the sales presentation to actually join the business is an abusive requirement that would inhibit growth and is a practice not found in any other business transaction. Most of my new customers/ distributors are very anxious to get their product; if they had to add a seven day waiting period onto the delivery of that product, it would be entirely unacceptable to them. This waiting period would give the public the idea that there's something wrong with us or our business and would cast us in a bad light. We are professional people who value our reputation and our standing in the community and feel we deserve to be treated accordingly. We also think this waiting period is unnecessary, because our company, XanGo, already has a 100% buyback policy. Under this waiting period requirement, we would also need to keep very detailed records when we first speak to a prospect and would then have to send in reports to our company.

Requiring direct sellers to provide information and identity of ten sales associates in close geographic proximity to the prospective salesperson would not only be a logistical nightmare, and frankly, could not be done in many instances. The more frightening part of this is the dramatic invasion of privacy it engenders. I am a female, as many self-employed, hard-working Americans in this industry are. Many of us are single-parents without sophisticated security in place. The potential for identify theft and physical threats because my personal information has been given to strangers is really not acceptable. This simply creates an open opportunity for terrorists and sexual predators. I would not mind providing references, but this is truly frightening.

We have a health product and we should not have to tell strangers the names of anyone else who is taking it. We would have resented it greatly if the people who introduced XanGo to us had given our name and information out to people we did not know. We would not have joined the company if that had been the case, and therein lies the problem for us as distributors. Where does privacy come in here? And who are the people that are going to have to regulate all this and police it? It's completely untenable from every direction. We have seen many scams on the Internet and been approached by many who are dishonest. This rule will not stop them. They are the ones that hurt people, not legitimate network marketers. This rule will not stop crooks – they violate the current rules all the time.

Also, requiring direct sellers to release any information about prior litigation – Even if they were not at fault – creates a negative unwarranted stigma for parties involved.

As I understand, if an opportunity has an initial investment cost below \$500 (in the case of XanGo, it is a mere \$35), then they are below the expenditure that triggers the FTC franchise rules. With this proposal, our very minimum investment home-based business would be subjected to the same record keeping and disclosure rules that apply to franchises. This type of constraint overburdens the small one-person operation. Small business contributes mightily to the US economy and is a major growth segment of the US Economy.

Please don't make rules that greatly hinder people who are doing a legitimate business and serving others and pave the way for shysters to profit from it. Help us as small business owners by not making our jobs harder and more cumbersome than they already are. If the goal of this proposal is to attack sleazy "fly by night" marketers of false and deceptive direct selling practices; I believe the FTC today has the enforcement clout to do so, and we applaud them for that! This proposal adds nothing to that quest. In our industry, no one – not the customer, the companies, nor those of us who are currently distributors, benefit by the negative business environment created by a few bad people. But this proposal risks the livelihood and future of approximately 14 million, hard working, honest Americans and that is simply not necessary.

I do not understand at all who is pushing this to go through and what they could possibly have to gain. I can't imagine what they could have been thinking when they came up with these things. Please stop them and help us as citizens and business people to go about our business and be treated with respect as all other legitimate business owners are treated. Thank you for taking the time to read this and for acting in our behalf.

Sincerely,

Diane M. Paresso